

May 29, 2001

The Honorable Ray S. Campbell, Jr.
Clerk of the Circuit Court
County of Caroline

Wayne A. Acors
County of Caroline

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Caroline for the period of October 1, 1999 through March 31, 2001.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system. However, we noted weaknesses in internal controls and noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

Promptly Transfer Receipts

The Clerk did not adequately follow the proper procedures for the accounting of daily cash collections. For four of 15 receipts tested, the Clerk did not promptly transfer receipts from the Daily Collections account to the checking account and made these transfers up to three days late. The Clerk should make a journal voucher entry daily to record the deposit of funds as found in Chapter 9, Section VII, of Financial Management System User's Guide. Not performing these transfers could lead to undetected errors on the bank reconciliation. The Clerk should perform transfers daily to reduce this risk.

Collect Proper Taxes and Fees on Will Instruments

The Clerk did not properly collect taxes and Clerk fees on will instruments. We found the following conditions:

- In three of 15 wills tested, the Clerk did not properly assess the Clerk fees for the recording of a single instrument. Section 17.1-275A(2) of the Code of Virginia states that for recording and indexing anything not otherwise provided for, a thirteen dollar charge will be assessed of which one dollar will be designated for the Virginia State Library Fund.
- In three of 15 wills tested, the Clerk did not charge or collect additional taxes when the final inventory exceeded the probate tax return by \$25,000. Section 58.1-1717 of the Code of Virginia, states that the court should compare the probate tax return with the total value on the inventory of such estate to determine whether the estate is undervalued. If the Clerk finds that the estate has been undervalued he shall thereupon charge additional taxes.

The Clerk should take proper corrective action to ensure that the Court is in compliance with requirements of the Code of Virginia.

Properly Document Due Date Changes

In seven of 20 cases tested, the Clerk did not properly document due date changes as required by Section 19.2-354 of the Code of Virginia. The Clerk sometimes alters the due date without appropriate documentation. All fines and costs are payable immediately upon final disposition unless otherwise ordered by the court or evidenced by a written payment agreement.

The Clerk should take proper corrective action to ensure that the Court is in compliance with requirements of the Code of Virginia.

We discussed these comments with the Clerk on May 29, 2001, and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc: The Honorable Horace A. Revercomb, III, Chief Judge
Percy C. Ashcraft, County Administrator
Bruce Haynes, Executive Secretary
Compensation Board
Don Lucido, Director of Technical Assistance
Supreme Court of Virginia
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia